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October 6, 2016

EX PARTE OR LATE FILED

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Room TW-B204
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: *Ex Parte* filing:

WT Docket No. 08-7, Petition of Twilio Inc. for an Expedited Declaratory Ruling Stating
That Messaging Services Are Title II Services, and
CC Docket No. 95-155, Toll-Free Service Access Codes

Dear Ms. Dortch:

Signal One Resp Org is a responsible organization authorized to operate under the guidelines and standards of the Service Management System (SMS) and the rules of the Federal Communications Commission (FCC) to manage and assign toll-free numbers to third-party end-users or maintain such numbers for its own use. This filing is in response to an Op-Ed by John Lauer, CEO of Zipwhip, that appeared in the September 2016 issue of Wireless Week (copy attached).

While Zipwhip describes the benefits that texting to toll-free numbers offers to business users of the numbers, Mr. Lauer's opinion piece misses some of the critical differences between toll-free numbers and traditional numbers that warrant a different regulatory framework when enabling texting services to toll-free numbers.

Unlike other numbers, unassigned toll-free numbers are assigned individually through requesting a responsible organization ("RespOrg"), that interfaces between Somos and the subscriber. The subscriber may contract for its transport services separately and can route the related traffic in any number of different ways. As a result, toll-free service can be a multi-party arrangement in which the subscriber, the RespOrg and the transport provider work in concert. And, a single toll-free number may have multiple subscribers, usually by region. By contrast, non-toll-free numbers are assigned in large blocks to carriers who hold them unassigned until a customer requests one. The assigning carrier will know whether the number is in use, and whether the customer wishes to send/receive text messages. When a customer cancels service, the carrier can eventually re-assign the number to a new customer; a toll-free number is returned to the spare pool where it can be re-assigned by any RespOrg.

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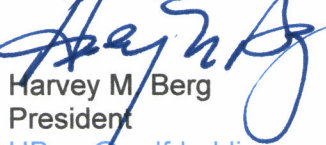
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Continued involvement of a RespOrg is essential for text to toll-free to function effectively. RespOrgs and toll-free subscribers have already experienced numerous cases where toll-free numbers are being designated as text-enabled when the customer does not desire this service, and neither the RespOrg nor the transport provider are aware of this text-enabling. Further, because a RespOrg can receive a number previously assigned through a different RespOrg from the spare pool, the current RespOrg must be able to act on behalf of its customer to enable or disable texting. If the RespOrg and subscriber are not aware of the texting functionality status, the result is potentially undelivered messages, and customer frustration.

While the future of texting to toll-free seems promising, caution and care are warranted to ensure safeguards are in place to prevent unwanted text-enabling on one hand and coordination of services by the subscribing customer whether for voice or text-enabling purposes. This coordination is essential for the toll-free system to continue to function efficiently and effectively for users and industry stakeholders alike.

Please do not hesitate to contact me if you have any questions.

Respectfully submitted,



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Op-Ed: Setting the Record Straight on Toll-Free Texting

Fri, 09/02/2016 - 10:47am 2 Comments

by John Lauer, CEO, Zipwhip

A recent op-ed piece in Wireless Week made the claim that toll-free texting is in chaos. That opinion couldn't be further from the truth.

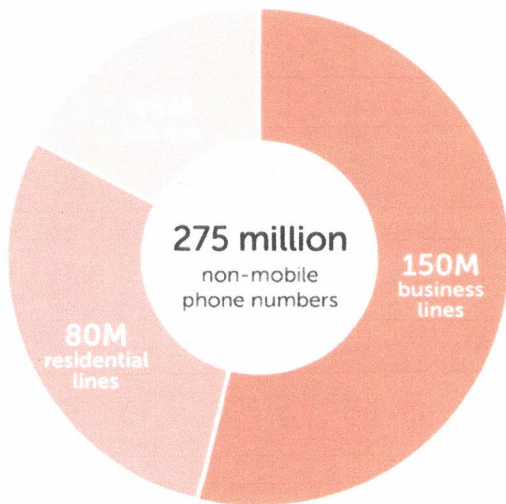
Business texting, which includes texting to landline, VoIP and toll-free phone numbers, is thriving. Even major brands have the confidence to trust, and invest in, the business texting ecosystem on their existing phone numbers. For example, Nestle is printing "Text or Call" on their consumer packaged goods (such as Drumsticks) so that consumers can text in their questions. Google is baking business texting into core products with the new AdWords "Click-to-Message" beta. Allstate's insurance agents are texting their customers proof of insurance and accepting photos of accident claims in real time, all using their existing office phone numbers.

What propels all this success is an easy and effective phone number verification and on-boarding process that allows businesses to start texting from their full base of numbers. For example, Ford Motor Company has thousands of dealerships across the country with a wide mix of phone numbers. If Ford had to follow a separate process to text enable each landline, VoIP and toll-free number with a convoluted approval process from each

regional network, it simply wouldn't happen.

Texting on toll free is a small subset of the total addressable market of non-wireless phone numbers as shown in Figure 1.

Market for Business and Landline Texting
July 2016



Credit: Zipwhip

Toll-free phone numbers equal only 16 percent of the wireline market share. There are no regulations for enabling a landline or VoIP number for texting, so why should there be a regulated process for enabling texting on toll-free numbers?

When it comes to verifying number ownership, the process is fast, secure, and effective. For every new customer we sign up, Zipwhip makes a phone call to the number being provisioned and has a real human-to-human conversation to ensure that our customer is the actual phone number owner. Google, Facebook, Netflix, and Microsoft all use the same process to verify users' identities because it's both easy and effective—they simply call or text a user's phone to verify ownership.

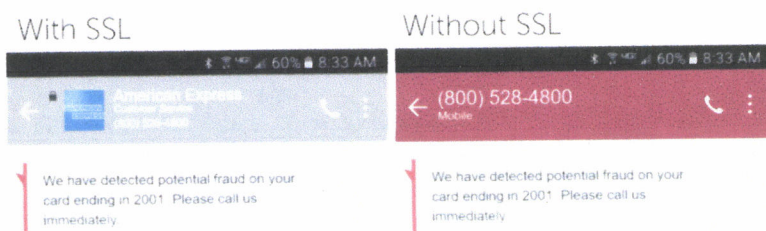
We recognize that shared-use phone numbers require a different process, and we work with the owners of these numbers on an individual basis to authenticate and route their messages correctly. It is important to stress that a shared-use number does have a single owner. For example, 1-800-PAVEMENT is a shared use number, but it has a single owner. The shared use is simply a result of US Pavement Services' go-to-market strategy. The definition of shared use can run the continuum from a very specific geographic use case such as 1-800-PLUMBER, which is leased in different cities, to a technical use case like Google, which assigns the same 800 number to thousands of businesses for AdWords tracking and then remaps those assignments daily. Zipwhip follows a multistep pass/fail test process to identify the actual owner of the number and ensure only the owner can text enable a shared-use number.

The safety of the industry is not at risk. The wireless carriers hold Zipwhip accountable for consumer safety with strict security requirements and SLAs. We authenticate every landline, VoIP and toll-free phone number to ensure consumers connect with the same business entity whether they call or text. We support CALEA-compliant tools to assist law enforcement requests. We also globally enforce the STOP layer, which gives consumers the option to opt-out and block any phone number from texting them. All of these processes and safeguards have created an ecosystem that is trusted now and will continue to be trusted in the future.

Business texting is growing. As it grows, scammers are going to try to leverage texting's power. Those issues are already being addressed. The recent op-ed piece argues that owner verification is an issue because bad actors might (in theory) be able to pose as toll-free number (TFN) owners, even though this doesn't happen. The real threat to consumers is an epidemic of phishing schemes, which registered TFN owners actually enable. These scams attempt to trick consumers into sharing sensitive information and can cause measurable

harm. The scammers don't have to thwart the owner verification process because they use legitimate toll-free phone numbers. In fact, phishing scams make up 21.6 percent of the outbound traffic on one of the leading toll-free texting API providers, but Zipwhip intercepts the scam traffic before it's delivered. Zipwhip contracts with Adaptive Mobile to proactively identify phishing scams and shut them down before they impact consumers. We take the same proactive measures against spam.

As I write this, CTIA is updating the industry guidelines to keep pace with changes in the market. We're constantly striving to stay ahead, too, crafting solutions like toll-free Rich Communication Services (RCS) and mobile SSL certification, which is a new solution for solving phone number identification. That's the end goal: build a trusted texting ecosystem while driving true innovation. Building an SSL certificate equivalent for phone numbers is exactly that. This would give consumers the ability to see a lock icon next to trusted phone numbers within their texting app, similar to how your browser shows a lock icon for trusted websites. There are discussions underway in the texting industry right now for creating this SSL certificate layer. As you can see in Figure 2, this creates a true layer of trust for the consumer because they can click to verify identity. A registry, which the prior op-ed promoted, doesn't create real consumer-facing trust the way an SSL certificate system would.



Credit: Zipwhip

For nearly 50 years, innovation in toll free meant introducing a new 8XX number range. Three years ago everything changed when Zipwhip, in partnership with the wireless operators, invented texting on toll-free numbers. Today the market for landline, VoIP and toll-free texting is healthier than ever and is going through rapid growth as represented by a 300 percent annual increase in texting volume and an 8x growth on active text enabled toll-free lines since 2015. The only chaos here is the scramble among toll free insiders for relevance as the industry evolves around them.

Some companies are looking backwards, trying to segregate out toll free and drag it into archaic systems developed decades ago for an entirely different medium, namely voice calls. What happens when video calling becomes available on toll free? Or file transfer capability from toll-free numbers to mobile phones? Are these innovations going to be held back because of a push for regulation that adds no benefit like the recent op-ed piece argues? They say the toll-free industry is in peril and it's struggling to grow. Let me set the record straight. The toll-free industry is healthier, more competitive and more relevant now than it has ever been because of the innovation and hard work that the wireless operators and industry players like Zipwhip have brought to the table. Let's make sure that texting is allowed to evolve on its own, because keeping the texting medium innovative is worth the effort.

John Lauer is CEO of Zipwhip, a company that offers texting from landline and toll-free numbers.